

Stock Code: 000037, 200037

Notice No.: 2017-047

Short Form of the Stock: Shen Nandian A, Shen Nandian B

Shenzhen Nanshan Power Co., Ltd.

Summary of Semi-Annual Report 2017

I. Important Notice

The summary is abstract from full-text of semi-annual report, for more details of operating results, financial condition and future development plan of the Company; investors should found in the full-text of semi-annual report that published on media appointed by CSRC.

Other directors attending the Meeting for semi-annual report deliberation except for the followed

Name of director absent	Title for absent director	Reasons for absent	Attorney
Zhou Qun	Director	Work	Yu Chunling
Liao Nangang	Independent director	Work	Pan Chengwei

Prompt of non-standard audit opinion

Applicable Not applicable

Profit distribution pre-plan of common stock or capitalizing of common reserves pre-plan deliberated by the Board in the reporting period

Applicable Not applicable

The Company has no plans of cash dividend distributed, no bonus shares and has no share converted from capital reserve.

Profit distribution pre-plan of preferred stock deliberated and approved by the Board in the reporting period

Applicable Not applicable

II. Company profile

1. Company Profile

Short form of the stock	Shen Nandian A, Shen Nandian B	Stock code	000037, 200037
Stock exchange for listing	Shenzhen Stock Exchange		
Person/Way to contact	Secretary of the Board	Rep. of security affairs	
Name	Zhang Jie	Jiang Yuanyuan	
Office add.	16/F-17/F, Hantang Building, OCT, Nanshan District, Shenzhen, Guangdong Province	16/F-17/F, Hantang Building, OCT, Nanshan District, Shenzhen, Guangdong Province	
Tel.	0755-26948888	0755-26948888	

E-mail	investor@nspower.com.cn	investor@nspower.com.cn
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2. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data or not

Yes No

	Current period	Same period of last year	Increase/decrease in this report y-o-y
Operating revenue (RMB)	872,962,697.33	697,688,267.08	25.12%
Net profit attributable to shareholders of the listed company (RMB)	-22,629,201.38	-56,454,746.24	-59.92%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	-25,113,210.11	-66,068,598.18	-61.99%
Net cash flow arising from operating activities (RMB)	-65,448,855.27	183,680,275.33	-135.63%
Basic earnings per share (RMB/Share)	-0.04	-0.09	-55.56%
Diluted earnings per share (RMB/Share)	-0.04	-0.09	-55.56%
Weighted average ROE	-1.30%	-10.96%	-88.14%
	End of current period	End of last period	Increase/decrease in this report-end over that of last period-end
Total assets (RMB)	3,043,070,710.89	4,363,703,614.03	-30.26%
Net assets attributable to shareholder of listed company (RMB)	1,920,084,701.54	1,942,713,902.92	-1.16%

3. Number of shares and shares held

In Share

Total common stock shareholders in reporting period-end		30,717	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0		
Top ten shareholders						
Full name of Shareholders	Nature of shareholder	Proportion of shares held	Shareholding numbers	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
HONG KONG NAM HOI (INTERNATIONAL) LTD	Overseas corporate	15.28%	92,123,248			
Shenzhen Guangju Industrial Co., Ltd.	State-owned corporate	12.22%	73,666,824			
SHENZHEN ENERGY (GROUP) CO., LTD.	State-owned corporate	10.80%	65,106,130			

BOCI SECURITIES LIMITED	Overseas corporate	1.54%	9,298,627			
National Council for Social Security Fund – 604	Other	1.29%	7,804,100			
Zeng Ying	Domestic nature person	1.00%	6,049,070			
China Merchants Securities (HK) Co., Limited	State-owned corporate	0.93%	5,612,824			
Zhang Heping	Domestic nature person	0.83%	5,025,900			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Overseas corporate	0.65%	3,906,540			
Li Baoqin	Domestic nature person	0.59%	3,558,514			
Explanation on associated relationship among the aforesaid shareholders	1. 100% equity of HONG KONG NAM HOI (INTERNATIONAL) LIMITED 100% held by SHENZHEN ENERGY (GROUP) CO., LTD 2. The Company is unknown whether there exists associated relationship or belongs to the consistent actor among the other shareholders.					
Shareholders involving margin business (if applicable)	N/A					

4. Changes of controlling shareholders or actual controller

Changes of controlling shareholders in reporting period

Applicable Not applicable

Changes of controlling shareholders had no change in reporting period.

Changes of actual controller in reporting period

Applicable Not applicable

Changes of actual controller in reporting period had no change in reporting period.

5. Total preferred stock shareholders of the Company and shares held by top ten shareholders with preferred stock held

Applicable Not applicable

No preferred stock in reporting period.

6. Corporation Bonds

Whether the Company has a corporation bonds that issuance publicly and listed on stock exchange and without due on the date when annual report approved for released or fail to cash in full on due

No

III. Discussion and analysis by the Management Team

1. Introduction of operation in the reporting period

Does the Company need to comply with disclosure requirements of the special industry

No

In the first half of 2017, China's macro economy continued a steady development trend, the supply side structural reform, economic transformation development, and innovation development were gradually presenting their effects, the energy structure continued to be optimized, the pace of transformation was accelerated, and the development quality and efficiency was constantly improved. The industrial economy of Guangdong province maintained the stability, the electricity demand kept a steady growth, and the electricity supply and demand was overall balanced. According to the statistics and analysis of relevant departments, from January to June, the total electricity consumption of the whole province reached 268.2 billion KWH, an increase of 4.6% on a year-on-year basis. However, due to the large increase in power generation capacity of the thermal power generating units, the new capacity continued to increase, the total quantity of electricity overall power was in surplus, the monthly centralized trading of electric power generation side had intense competition, the whole province's peak demand for gas turbine power generation was limited, so the gas turbine power generation was still subject to large restrictions. Although the company turned losses into gains in 2016 through the implementation of major asset sales, which improved the company's asset quality and financial situation to a certain extent, the company's main business and operating conditions did not fundamentally change. As a power company taking gas turbine power generation as the main business, the company was still facing enormous pressure in production and operation under the influence of still high fuel costs, limits in electric power generation, and other industrial common problems.

During the reporting period, by taking the legitimate and standard operation and safety and environmental protection as the premise and the improvement of management efficiency as the core objective, the company orderly promoted all work as planned: the first is to pay close attention to safety production and environmental and economic operation of subordinate power plants, and achieve the safe "four no" and environmental standards; the second is to actively participate in the bilateral consultation transactions and monthly centralized competitive transactions of the electricity market in Guangdong province so as to maximumly promote the production efficiency; the third is to closely follow the national fiscal and monetary policy, broaden the financing channels, optimize the assets and debt structure, and guarantee the company's capital chain security; the fourth is to comprehensively carry out the cost-effective activities to further reduce the costs and strive to improve the profitability of main business; the fifth is to cooperate with the government departments and related units to carry out the preliminary work of land acquisition and storage, and make the greatest efforts to protect the interests of shareholders and employees; the sixth is to seriously study the industrial policy, regulatory policies and industry dynamics, combine with the national power system reform and energy structure optimization, actively look for development opportunities of new projects related to the main business, and strive to explore approaches for the company's going concern and healthy development.

During the reporting period, the company did everything possible to improve the profitability of main business

and strived to improve the company's operating conditions, but the electricity price could not completely cover the operating costs, resulting in an operating loss in the first half year. In the first half of 2017, the company achieved operating income of RMB 872,962,700, net profit of RMB -22,629,000 attributable to shareholders of listed companies, earnings per share of RMB -0.04, reduced losses of about 59% on a year-on-year basis.

2. Relevant items involving financial report

(1) Particulars about the changes in aspect of accounting policy, estimates and calculation method compared with the financial report of last fiscal period

Applicable Not applicable

1. Explanation on change of accounting policy

Changes in accounting policies caused by the implementation of new Accounting Standards for Business Enterprises

On April 28, 2017, the Ministry of Finance issued the Accounting Standards for Business Enterprises No. 42 - Non-current Assets, Disposal Group, and Discontinued Operation Held for Sale, which has been implemented in all enterprises that carry out the Accounting Standards for Business Enterprises from May 28, 2017. On May 10, 2017, the Ministry of Finance revised the Accounting Standards for Business Enterprises No. 16 - Government Subsidy, which has been implemented in all enterprises that carry out the Accounting Standards for Business Enterprises from June 12, 2017. In accordance with the requirements of the Ministry of Finance, the company has revised the company's major accounting policies accordingly. The major accounting policy changes adopted in the current financial reports have been approved by the resolution of the 19th extraordinary meeting of the 7th Board of Directors and the 12th extraordinary meeting of the 7th Board of Supervisors on August 3, 2017. The changes have no major impact on the financial statement of the Company.

2. Explanation on change of accounting estimates

No changes in the period

(2) Major accounting errors within reporting period that needs retrospective restatement

Applicable Not applicable

No major accounting errors within reporting period that needs retrospective restatement for the Company in reporting period.

(3) Particulars about the change of consolidation range compared with the financial report of last fiscal period

Applicable Not applicable

The Company had no particular about the change of consolidation range compared in reporting period.